GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3432
ANSWERED ON:24.03.2005
ALLOTMENT OF PETROL PUMPS
Badi Shri Rajendra Kumar;Bishnoi Shri Jaswant Singh;Mandal Shri Sanat Kumar;Manvendra Singh Shri ;Reddy Shri Karunakara G.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the present policy and norms prescribed for allotment of petrol pumps;

(b) the existing marketing policy of various oil companies for allotment of petrol pumps;

(c) whether oil companies are allotting petrol pumps in pursuance of their marketing plans;

(d) if not, the reasons therefor; and

(e) the details of private sector oil companies which have been provided licenses for opening of petrol pumps?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b) : Based on certain broad parameters advised by the Government to the public sector oil marketing companies (OMCs), the latter have framed their guidelines for the selection of retail outlet dealerships (petrol pumps), LPG distributorships and SKO-LDO dealership, for viable locations in the country, and have been making selections and allotments in terms of these guidelines. These guidelines provide for a detailed procedure to be followed by the OMCs in making selection and allotment of dealers/ distributors. The procedure includes selection of dealers/ distributors by the selection committee of the OMC concerned on the basis of evaluation of the suitability of the candidates vis-Ã -vis certain laid down parameters and weightages. A brief note being widely disseminated in this regard by the Ministry is placed at Annex.

(c) & (d) : Yes, Sir. The companies are following the prescribed procedure for making allotments, in respect of the locations included in their respective marketing plans as well as at the viable locations included in the marketing plans approved by the Government earlier.

(e) : Government have granted marketing rights for transportation fuels to three companies in the private sector, namely, M/s Reliance Industries Limited, M/s Essar Oil Limited and M/s Shell India Marketing Pvt. Limited.

Annexure referred to in reply to parts (a) & (b) of the Lok Sabha Unstarred Question No.3432 for 24.3.2005 regarding allotment of petrol pumps.

PROCEDURE FOR SELECTION OF DEALERS/DISTRIBUTORS OF PETROLEUM PRODUCTS BY THE OIL COMPANIES.

1. Government have advised the Oil Marketing Companies (OMCs) on the broad parameters for the allotment of ROs/distributorships/dealerships relating to such issues as reservations for weaker sections of the society, multiple dealership norms, etc., and also asked the OMCs to evolve transparent and objective criteria for selection. The oil marketing companies viz., Indian Oil Corporation Limited (IOC), Hindustan Petroleum Corporation Limited (HPC), Bharat Petroleum Corporation Limited (BPC) and IBP Co. Limited,(IBP), have formulated their own guidelines for allotment of dealerships/distributorships. The OMC also have freedom to select locations for dealerships/distributorships on commercial consideration. Therefore, Government no longer has any role beyond prescribing broad parameters in the process of selection of dealers/distributors and subsequent allotments to them, and in the matter of the selection of locations.

2. A gist of some important provisions of the selection guidelines adopted by the OMCs is given under:

2.1 50% reservation of dealerships/distributorships is provided in the guidelines of the OMCs for specific categories of persons, as under:

(i) Scheduled Castes/Scheduled Tribes - 25%

(ii) Defence Category - 8%

(iii) Physically Handicapped - 5%

(iv) Freedom Fighters - 2%

(v) Outstanding Sports Persons - 2%

(vi) Para-Military/Police/Government personnel - 8%

Out of the above, 1/3rd of dealerships/distributorships in each category are reserved for women belonging to that category.

2.2 Oil companies advertise the locations in prominent newspapers, inviting applications for the award of dealerships/distributorships at those locations. Adequate time is provided for aspirants to collect application forms and submit completed applications to the OMC. These advertisements contain various details for information of the applicants. An application processing fee (non-refundable) of Rs.1000/- is charged from applicants other than those belonging to SC/ST category. In respect of SC/ST applicants, the application processing fee is Rs.500/-.

2.3 After scrutiny of the applications received, the OMCs call the applicants for interview by a selection committee comprising three officers of the company of the appropriate rank. Specific evaluation criteria and weightage thereof have been prescribed based on which the selection committee assess the suitability of the candidates in respect of their capability to provide land/infrastructure/facilities/finance, capability to generate business, their personality, educational qualifications/general level of intelligence, age, experience and business ability/acumen. It is recommended that the applicants fully familiarize themselves with the criteria for selection, in consultation with the OMC Manager in charge of their territory.

2.4 The selection Committee prepares a panel of three candidates in order of merit and this panel is finalised immediately on completion of interview for a particular dealership/distributorship. Letter of Intent (LoI) is issued to the No.1 candidate in the merit panel after conducting necessary field investigation and based on report thereof.

2.5 Only one dealership is to be allowed to a family unit consisting of the individual concerned, his/her spouse and unmarried son/daugters.

2.6 The guidelines also provide for grievance redressal system, in accordance with which any complaint/grievance with regard to selection is investigated and remedial action taken. Any complaint, received by the Government, is also got investigated based on the contents in the complaint and remedial action taken.